

BEFORE THE
POSTAL REGULATORY COMMISSION
WASHINGTON, D.C. 20268-0001

In the Matter of:
Meridian Post Office
Meridian, New York

Docket No. A2011-66

UNITED STATES POSTAL SERVICE
COMMENTS REGARDING APPEAL
(November 3, 2011)

On September 7, 2011, the Postal Regulatory Commission (Commission) received a petition for review of the Postal Service's determination to close the Meridian Post Office in Meridian, New York. The petition was filed online by Beth Dishaw (Petitioner). Pursuant to 39 U.S.C. 404(d)(5) the Commission established Docket No. A2011-66 to consider Petitioner's appeal. On September 13, 2011, the Commission issued Order No. 850, its Notice and Order Accepting Appeal and Establishing Procedural Schedule under 39 U.S.C. § 404(d). In accordance with Order No. 850, the administrative record was filed with the Commission on September 22, 2011. On October 12, 2011, the Commission received and accepted a Participant Statement on PRC form 61 from the Petitioner.

The Appeal and Participant Statement raise three main issues: (1) the effect on postal services, (2) the impact upon the Meridian community, and (3) the calculation of economic savings expected to result from discontinuing the Meridian Post Office. As reflected in the administrative record of this proceeding, the Postal Service gave these issues serious consideration. In addition, consistent with the Postal Service's statutory

obligations and Commission precedent,¹ the Postal Service gave consideration to a number of other issues, including the impact upon postal employees. Accordingly, the determination to discontinue the Meridian Post Office should be affirmed.

Background

The Final Determination To Close the Meridian, NY Post Office and Extend Rural Route Service (FD), as well as the administrative record, indicate that the Meridian Post Office provides EAS-11 level service to 120 Post Office Box customers. Daily retail transactions averaged 27, accounting for 31 minutes of retail workload. Item No. 41, pg. 3; Item 42: (Form 4920) Post Office Closing or Consolidation Proposal Fact Sheet (“Fact Sheet”), at 1.² The Postmaster position at the Meridian Post Office became vacant when the Postmaster retired on November 3, 2010. The non-career postmaster relief (PMR) may be separated from the Postal Service. No other Postal Service employee will be adversely affected. Since the Postmaster vacancy arose, an OIC has been installed to operate the office. Revenue has generally been steady: \$77,761.00 in FY 2008; \$75,526.00 in FY 2009; and \$76,075.00 in FY 2010. The Meridian Post Office has no meter or permit customers. FD at 1; Item No. 41, pg. 2.

Upon implementation of the final determination, delivery and retail services will be provided by rural route delivery administered by the Cato Post Office, an EAS-16 level office located two miles away, which has 92 available Post Office Boxes. FD at 2; Item No. 41, at 2, 9. .

¹ See 39 U.S.C. 404(d)(2)(A).

² In these comments, specific items in the administrative record are referred to as “Item ____.”

The Postal Service followed the proper procedures which led to the posting of the FD. All issues raised by the customers of the Meridian Post Office were considered and properly addressed by the Postal Service. The Postal Service complied with all notice requirements. In addition to the posting of the Proposal and FD, customers received notice through other means. On April 25, 2011 questionnaires were distributed to delivery customers of the Meridian Post Office. Questionnaires were also available over the counter for retail customers at Meridian. FD at 2; Item No. 20, Questionnaire Instruction Letter from P.O. Review Coordinator to OIC/Postmaster at Meridian Post Office, at 1; Item 47, at 2. A letter from the Manager of Post Office Operations, Albany, New York, was also made available to postal customers, which advised customers that the Postal Service was evaluating whether the continued operation of the Meridian Post Office was warranted, and that effective and regular service could be provided through rural route delivery and retail services available at the Cato Post Office. The letter invited customers to complete and return a customer questionnaire and to express their opinions about the service they were receiving and the effects of a possible change involving rural route delivery. Item No. 21, Letter to Customer, at 1. The returned customer questionnaires and Postal Service response letters appear in the administrative record in Item No. 22. In addition, representatives from the Postal Service were available at the Meridian Post Office for a community meeting on May 4, 2011, to answer questions and provide information to customers. FD at 2-9; Item No. 42, Letter to Customer, at 1; Item No. 20, The proposal to close the Meridian Post Office

was also posted with an invitation to comment at the Meridian Post Office and at the Cato Post Office from May 21, 2011 to July 22, 2011.

In light of the postmaster vacancy, a minimal workload, the variety of delivery and retail options (including the convenience of rural delivery and retail service), very little recent or projected growth in the area, and the expected financial savings, the Postal Service issued the FD. Item 16 at 2, Item 17, Item 18, FD 1-9. Regular and effective postal services will continue to be provided to the Meridian community in a cost-effective manner upon implementation of the final determination. FD at 2-9.

Each of the issues raised by the Petitioner is addressed in the paragraphs which follow.

Effect on Postal Services

Consistent with the mandate in 39 U.S.C. § 404(d)(2)(A)(iii) and as addressed throughout the administrative record, the Postal Service considered the effect of closing the Meridian Post Office on postal services provided to Meridian customers. The closing is premised upon providing regular and effective postal services to Meridian customers.

The Petitioner, in her Participant Statement, raises the issue of the effect on postal services of the Meridian Post Office's closing, noting the convenience of the Meridian Post Office and requesting its retention. The Petitioner expresses particular concern about the accessibility of postal services for senior citizens and potential problems with roadside delivery. The Petitioner is also concerned about the effect of the

closing of the Meridian Post Office on the shipping of packages and purchasing money orders. Each of these concerns was considered by the Postal Service.

The Postal Service has considered the impact of closing the Meridian Post Office upon the provision of postal services to Meridian customers. FD 2-9. When this final determination is implemented, customers will have full service available to them at the Cato Post Office, which is an EAS 16 level office, operates six days a week, and is two miles from the current Meridian Post Office. FD at 2. Customers, however, will not be required to travel to another Post Office to receive or obtain delivery and retail services. These services will be provided by the carrier to a roadside mailbox located close to customers' residences. In hardship cases, delivery can be made to the home of the customer. Changes in the type of delivery are considered where service by existing methods would pose an extreme physical hardship for an individual customer. The requests could be submitted in writing to the Cato Postmaster. FD at 3. Although the Post Office is considering adding street delivery for customers who may not have had it available in the past, customers that receive PO Box service can choose to continue PO Box service at the Cato Post office, if they prefer this service. FD at 2. Retail services provided at the Post Office are available from the carrier. Most transactions do not require meeting the carrier at the mailbox. Stamps by Mail and Money Order applications are available for customer convenience. FD at 4. Special services such as certified, registered and Express Mail may be obtained from the carrier by leaving a note in the mailbox along with the appropriate payment. The carrier will provide the services that day and leave a customer receipt in the mailbox the very next day. Item

47, FD at 4. With respect to the Petitioners' concerns about mail security, the Postal Service advised customers that they may place a lock on their mailboxes. The mailbox must have a slot large enough to accommodate the customer's normal daily mail volume. Items 22-26; FD at 4. The Postal Service also sent a questionnaire to the Postal Inspection service concerning mail theft and vandalism in the suspended Post Office area. Their records indicate that there has not been any report of mail theft or vandalism in the area. Item 14; Item 47 at 5.

The effect of closing the Meridian Post office on the shipping of packages was also given extensive consideration by the Postal Service. FD 2-9; Items 22-26. Various options exist for the shipping of packages, which are explained on www.usps.com. If internet access is available, the Postal Service's Click-N-Ship service enables customers to print shipping labels with postage for Express Mail and Priority Mail. FD, at 2. Carrier pickup is available, which allows for scheduling the pickup of packages at the same time the carrier delivers the mail. Item No. 22-26, Postal Customer Questionnaire Analysis, at 1. In addition, the rural carrier will accept any letters or packages for mailing. The carrier will estimate the cost and provide a receipt for any money received. On the following day, the carrier will provide change or a bill for the amount over the estimate. FD at 3. In terms of parcel delivery, if a customer lives less than one half mile from the line of travel, the carrier will attempt delivery of accountable items and large parcels to the customers residence. If the customer lives over one half mile away or is not home, a notice will be left in the mailbox. FD at 4.

With regard to money orders, the Postal Service explained that customers may purchase money orders by meeting the carrier at the mailbox, completing an application, and paying the carrier the price of the money order plus the fee. The carrier gives the customer a receipt for the application. The money order is completed when the carrier returns to the Post Office, and a money order receipt is left for the customer's mailbox on the next delivery day. If customers prefer, the completed money order will be returned for verification on the next delivery day. FD at 4.

Thus, the Postal Service has properly concluded that all Meridian customers will continue to receive regular and effective service via an EAS-16 Post Office located within a short distance and via rural route delivery on the carrier's line of travel.

Effect Upon the Meridian Community

The Postal Service is obligated to consider the effect of its decision to close the Meridian Post Office upon the Meridian community. 39 U.S.C. § 404(d)(2)(A)(i). While the primary purpose of the Postal Service is to provide postal services, the statute recognizes the substantial role in community affairs often played by local Post Offices, and requires consideration of that role whenever the Postal Service proposes to close or consolidate a Post Office.

Meridian is an incorporated rural community located in Cayuga County. The Cayuga County Sheriff's Department provides police protection and fire protection is provided by the Meridian Volunteer Fire Department. Two churches and a few small businesses are located in the Meridian community. Item No. 16-19, Proposal at 4, 12. The questionnaires completed by Meridian customers indicate that, in general, the

retirees, seniors, commuters, and others who reside in Meridian must travel elsewhere for other supplies and services. See generally Item No. 21-26.

The Petitioner's Participant Statement raises the issue of the effect of the closing of the Meridian Post Office upon the Meridian community. This issue was extensively considered by the Postal Service, as reflected in the administrative record. FD, at 2-9; Item No. 21-26 and 41; Proposal. The Postal Service explained that a community's identity derives from the interest and vitality of its residents and their use of its name. The Postal Service is helping to preserve community identity by continuing the use of the Meridian Post Office name and ZIP Code in addresses and in the national Five-Digit ZIP Code and Post Office Directory. Item No. 41, 47; FD at 7. Communities generally require regular and effective postal services and these will continue to be provided to the Meridian community. Carrier service is expected to be able to handle any future growth in the community. FD, at 6, Item No. 42, Proposal, at 5, 13. The Postal Service noted that residents may continue to meet informally, socialize, and share information at the other businesses, churches and residences in town. FD, at 7; Item No, 42, 47, Proposal, at 3, 11.

In addition, the Postal Service has concluded that nonpostal services provided by the Meridian Post Office can be provided by the Cato Post Office. Government forms usually provided by the Post Office are also available by contacting local government agencies. FD at 2-9; Item No. 42, Proposal, at 5, 13.

Thus, the Postal Service has met its burden, as set forth in 39 U.S.C. § 404(d)(2)(A)(i), by considering the effect of closing the Meridian Post Office on the community served by the Meridian Post Office.

Economic Savings

Postal officials also properly considered the economic savings that would result from the proposed closing, as provided under 39 U.S.C. § 404(d)(2)(A)(iv). The Postal Service estimates that rural route carrier service would cost the Postal Service substantially less than maintaining the Meridian Post Office and would still provide regular and effective service. FD at 8, Letter to Customer, at 1. The estimated annual savings associated with discontinuing the Meridian Post Office are \$34,807.00. FD at 8; Item No. 17-19.

Economic factors are one of several factors that the Postal Service considered, and economic savings have been calculated as required for discontinuance studies, which is noted throughout the administrative record, consistent with the mandate in 39 U.S.C. § 404(d)(2)(A)(iv). FD, at 7; Item No. 41, Proposal, at 13. The Postal Service determined that carrier service is more cost-effective than maintaining the Meridian postal facility and postmaster position. FD, at 2 and 8. The Postal Service's estimates are supported by record evidence, in accordance with the Postal Service's statutory obligations.

The Petitioner states that the Meridian Post Office is profitable and therefore should be continued. However, postal regulations in the Handbook PO-101 do not

consider the profitability of an office as a factor triggering or justifying the outcome of a discontinuance study. Rather, the Postal Service considers numerous factors, including workload, revenue trends, usage patterns, and alternate access. In this case, given the proximity of another Post Office and the provision of service through rural route, the Postal Service has determined that it can still provide regular and effective service.

The Postal Service, therefore, has considered the economic savings to the Postal Service resulting from such a closing, consistent with its statutory obligations and Commission precedent. See 39 U.S.C. § 404(d)(2)(A)(iv).

Effect on Employees

As documented in the record, the impact on postal employees is minimal. The postmaster position at the Meridian Post Office became vacant when the postmaster retired on November 3, 2010. The non-career postmaster relief (PMR) may be separated from the Postal Service. No other Postal Service employee will be adversely affected. Since the Postmaster vacancy a temporary officer-in-charge (OIC) has been installed to operate the office.

The Petitioner expresses concern about loss of employment in the community. The Postal Service understands and is sympathetic to this concern, but is also charged with responsibility to promote efficiency of operations. Consequently, this concern does not outweigh the other considerations cited in support of the FD.

Therefore, in making the determination, the Postal Service considered the effect of the closing on the employees at the Meridian Post Office, consistent with its statutory obligations. See 39 U.S.C. § 404(d)(2)(A)(ii).

Conclusion

As reflected throughout the administrative record, the Postal Service has followed the proper procedures and carefully considered the effect of closing the Meridian Post Office on the provision of postal services and on the Meridian community, as well as the economic savings that would result from the proposed closing, the effect on postal employees, and other factors, consistent with the mandate of 39 U.S.C. § 404(d)(2)(A).

After taking all factors into consideration, the Postal Service determined that the advantages of discontinuance outweigh the disadvantages. In addition, the Postal Service concluded that after the discontinuance, the Postal Service will continue to provide effective and regular service to Meridian customers. FD, at 2 and 8. The Postal Service respectfully submits that this conclusion is consistent with and supported by the administrative record and is in accord with the policies stated in 39 U.S.C. § 404(d)(2)(A). The Postal Service's decision to close the Meridian Post Office should, accordingly, be affirmed.

The Postal Service respectfully requests that the determination to close the Meridian Post Office be affirmed.

Respectfully submitted,

UNITED STATES POSTAL SERVICE
By its attorneys:

Anthony F. Alverno
Chief Counsel, Global Business & Service
Development

Daniel Hadar
Attorney

475 L'Enfant Plaza, S.W.
Washington, D.C. 20260-1137
(202) 268-6967
daniel.hadar@usps.gov